

Tallies as Usury-Free Money by William Franklin ¹

After the Crusades, England was short of gold. When William the Conqueror died in 1087 and his son William II needed gold to pay off the French, the *Moneylenders* were invited into the country...on the condition that they demanded interest in gold...and paid half of it to the king.

TALLY

A reckoning or score.

A stick on which notches are made to keep a count or score, formerly to keep a record of amounts paid or owed.

A mark recording acts or objects consisting of four vertical lines canceled diagonally or horizontally by a fifth line.

A label, ticket, or piece of metal or wood for identification, especially in gardens and greenhouses.

Something that is very similar or corresponds to something else; a double or counterpart.

A metal plate attached to a ship's machinery and bearing instructions for its use.

Eventually the *Moneylenders* became so wealthy...at the expense of the people...that the *Church*...with urgings from the Pope...prohibited the *Moneylenders* from taking interest on their loans. As the *Moneylenders* were no longer useful to the *Monarchy*, in 1290 most of the Jews were expelled from the country. ²



The Pope's sabotage of the profitable compact between *Monarchy* and *Moneylenders* left England with a problem; the country was still short of gold. The coinage system was commodity-based and assumed that 'money' was something having value in itself...gold or silver...which was bartered or traded for goods or services of equal value.

In Stephen Zarlenga's investigation into the origins and history of money ³ he found that the earliest use of coins as money did not originate with merchants trading in the marketplace but were issued by governments. Their value was the value stamped on them and not the price at which the metal traded. Zarlenga quotes Aristotle: 'Money exists not

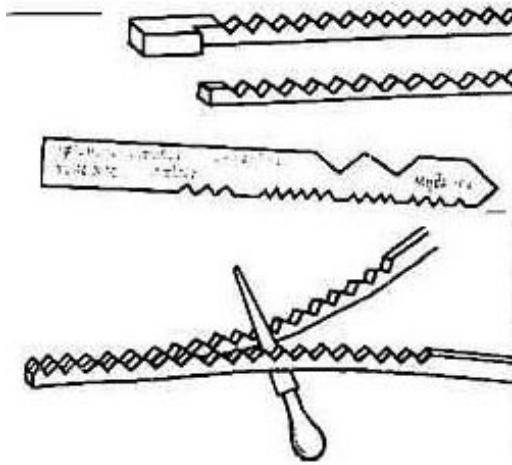
¹ Source: *Web of Deceit* by Ellen Hodgson Brown (2008, *Third Millennium Press*, Baton Rouge, ISBN 978-0-0705608-2-8).

² This pattern, in which Jews as a people have been persecuted for the profiteering of a few and used as scapegoats to divert attention from the activities of the rulers, has been repeated over the centuries.

³ *The Lost Science of Money* by Sephen Zarlenga (2002, *American Monetary Institute*, ISBN 1-930748-03-5).

by nature, but by law. It acts as a measure that makes goods commensurate and equates them...there must be a unit, and that fixed by agreement.'⁴

Money was a fiat⁵ of the law. *Fiat Money* is money that is legal tender by government decree. It is simply a 'tally'...something representing units of value that can be traded in the market, a receipt for goods or services that can legally be tendered for other goods and services.



In China *Fiat Paper Currency* had funded a long and prosperous empire. *Fiat Money* was also used in medieval England...using wood instead of paper. William the Bastard's 1066 invasion of England had been financed by a *Christian Pope* and a *Jewish Moneylender*. When William I's youngest son, Henry I,⁶ ascended the throne in 1100, there were no printing presses and taxes were paid with farm produce.

Henry needed a way to record his tax payments. His answer was the *English Tally System*. One half of a piece of wood, notched and split in half, was kept by the government and the other by the family who delivered the produce to the king.

No stick splits in an even manner. By choosing wood with a straight grain and notching the sums through both halves of wood, the tallies matched and were impossible to counterfeit. The system has been called the earliest form of bookkeeping.

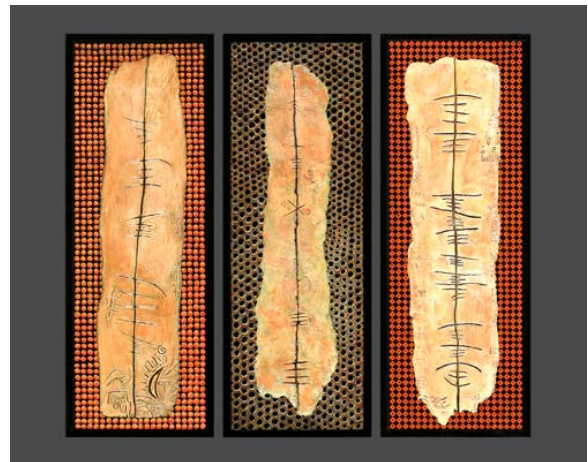
Ellen Brown in *Web of Deceit* quotes the historian Clanchy:⁷ 'Tallies were a sophisticated and practical record of numbers; more convenient to keep and store than parchments, less complex to make, and no easier to forge.' According to Clanchy, millions of tallies were made though only a few hundred survive.

Tallies were used by the government to pay soldiers for their service, farmers for their wheat, and labourers for their work. At tax time, the *King's Treasurer* accepted the tallies in payment for taxes.

By the 13th Century, the financial market for tallies was sophisticated enough that they could be bought, sold, or discounted. Tallies were used by individuals and institutions to register debts, record fines, collect rents, and enter payments for services rendered.

In the 1550s, Henry VIII gave tallies the force of a national currency when he ordered them to be used as evidence of paying taxes. That meant everyone had to have them.

Richard Hoskins writes⁸ that by the end of the seventeenth century, about 14 million pounds' worth of tally-money was in circulation. Zarlenga cites the historian Spufford, who wrote that English coinage had never exceeded half a million pounds up to that time.



⁴ Much the same is true of Nature's most basic of constants. When the speed of light apparently dropped by 20 metres per second from 1928 to 1945, laboratories all over the world reported measurements close to the consensus value. But when the speed went up again, laboratories duly agreed closely with the new consensus. Did the speed of light change? The data say it did. But for theoretical reasons, it could not have changed, as it is believed to be a fundamental constant. Therefore the consensus data was decreed to be flawed. An international committee fixed the speed of light by definition in 1972, putting an end to the embarrassing variations. Other constants continue to vary...especially the universal gravitational constant. (*Illusions of Objectivity*, Chapter 11 in *The Science Delusion* by Rupert Sheldrake).

⁵ Fiat means 'let it be done' in Latin.

⁶ In 1087 William the Conqueror went to war with France. While his men sacked and burnt Mantes, his horse was struck by a falling beam. He was thrown against the pommel of his saddle. He never recovered, and died a few weeks later in Rouen. As he lay dying he designated his eldest son, Robert, Duke of Normandy; William, his second son, was designated King of England 'if Archbishop Lanfranc should think him worthy of coronation'; the youngest son, the future Henry I, got nothing. When he burst into tears, William I said, 'Do not cry. You will become king.' He did, in 1100, after his elder brother had been, 'shot off with an arrow from his own men in hunting'...in the words of the Anglo-Saxon Chronicle.

⁷ From *Memory to Written Record: England 1066-1307* by M.T. Clanchy.

⁸ *War Cycles, Peace Cycles* by Richard Hoskins.

The tally system was far from being a minor monetary experiment. In fact, during most of the Middle Ages, tallies probably made up the bulk of the English money supply. The tally system was in use for more than five centuries before the *Usury Bankers'* gold-based paper banknotes took root. Tallies helped to fund a long era of leisure and abundance that flowered into the *Renaissance*.

Modern schoolbooks generally portray the Middle Ages as a time of poverty, backwardness, and economic slavery, from which the people were freed only by the *Industrial Revolution*; but reliable early historians painted a different picture. Thorold Rogers, a nineteenth century Oxford historian, wrote that in the Middle Ages, 'a labourer could provide all the necessities for his family for a year by working 14 weeks'...a quarter of a year.

The rest of the time, some men worked for themselves; some studied; some fished. Some helped to build the cathedrals that appeared all over Germany, France and England during the period...massive works of art that were built mainly with volunteer labour. Some used their leisure to visit these shrines. One hundred thousand pilgrims had the wealth and leisure to visit Canterbury and other shrines each year.

William Cobbett, author of *History of the Reformation*, wrote that Winchester Cathedral 'was made when there were no poor rates; when every labouring man in England was clothed in good woollen cloth; and when all had plenty of meat and bread.' Money was available for inventions and art, supporting the Michelangelos, Rembrandts, Shakespeares, and Newtons of the time.

The *Renaissance* is usually thought of as the flowering of the age; but the university system, representative government in a Parliament, the English common law system, and the foundations of a great literary and spiritual movement were all in place by the thirteenth century, and education was advanced and widespread. As one scholar of the period observed:

'We are very prone to consider that it is only in our time that anything like popular education has come into existence. As a matter of fact, however, the education afforded to the people in the little towns of the Middle Ages,

represents an ideal of educational uplift for the masses such as has never been even distantly approached in succeeding centuries. The thirteenth century developed the greatest set of technical schools that the world has ever known...these medieval towns. During the course of the building of their cathedrals, of their public buildings, and various magnificent edifices of royalty and for the nobility, the artistic results were such that they have been held in admiration ever since.'



The common people had leisure, education, art, and economic security. *The Catholic Encyclopaedia* wrote that '...economic historians like Rogers and Gibbins declare that during the best period of the Middle Ages...the 13th, 14th and 15th centuries...there was no such grinding and hopeless poverty, no such chronic semi-starvation in any class, as exists today among large classes in the great cities.

In the Middle Ages there was no class resembling our proletariat, which has no security, no definite place, no certain claim upon any organisation or institution in the socio-economic organism.'

Richard Hoskins attributes this long period of prosperity to the absence of usurious lending practices. Rather than having to borrow the *Moneylenders'* gold, the people relied largely on interest-free tallies.

Unlike gold, wooden tallies could not become scarce; and unlike paper money, they could not be counterfeited or multiplied by sleight of hand. They were simply a unit of measure, a tally of goods and services exchanged. Ellen Brown has this to say: '...the tally system avoided both the depressions resulting from a scarcity of gold and the inflations resulting from printing paper money out of all proportion to the goods and services available for sale. Since the tallies came into existence *along with* goods and services, supply and demand increased together, and prices remained stable.

The tally system provided an organic form of money that expanded naturally as trade expanded and contracted naturally as taxes were paid. Bankers did not have to meet behind closed doors to set interest rates and manipulate markets to keep the money supply in balance. It balanced the way a cheque book balances by simple arithmetic. The system of government-issued tallies kept the British economy stable and thriving until the mid-seventeenth century, when Oliver Cromwell, the 'Pretender', needed money to fund a revolt against the *Tudor Monarchy*.'

The *Bank of England Company*...the mother of *Central Banking*...was chartered in 1694 to William Paterson, a Scotsman who had previously lived in Amsterdam. A circular distributed to attract subscribers to the company's

initial stock offering said: 'the Bank hath benefit of interest on all moneys which it, the Bank, creates out of nothing'. The negotiation of additional loans caused *England's National Debt* to go from just over a million pounds in 1694 to 16 million in 1698. By 1815, the debt was up to 885 million pounds, largely due to the compounding of interest. The lenders not only reaped huge profits, but wielded substantial political leverage.

The bank's charter gave the force of law to the 'fractional reserve' banking scheme that put control of the country's money into the hands of a privately owned company. The *Bank of England Company* had the legal right to create paper money out of nothing and lend it to the government at interest. It did this by trading its own paper notes for paper bonds representing the government's 'promise to pay principal and interest' to the private limited liability banking company - the same device used by the *US Federal Reserve* and other central banks today.

After the *Bank of England Company* began issuing paper banknotes in the 1690s, the government followed suit by issuing paper tallies against future tax revenues. Paper was easily negotiable, making the paper tallies competitive with private banknote money. For the next century, banknotes and tallies circulated interchangeably; but they were not mutually compatible means of exchange.

The *Usury Bankers'* paper money expanded when credit expanded and contracted when loans were cancelled or 'called', producing cycles of 'tight money' and depression alternating with 'easy' money and inflation. Yet these notes *appeared* to be more sound than the government's tallies, because they were 'backed' by gold.

They appeared to be sound until a bank's customers got suspicious and all demanded their gold at the same time, causing a run on the bank so that it would have to close its doors because it did not have enough gold to go around.

Meanwhile, the government tallies were permanent money that remained stable and fixed. Because tallies made the money of the *Usury Bankers* look bad; the tallies had to go...though this was not the only reason.

William III's right to the throne was disputed, and the Dutch *Moneylenders* who backed him feared being evicted if the Catholics got back in and forbade moneylending again.

To make sure that did not happen, the *Moneylenders* used their new influence to discount the tallies as money and get their own banknotes legalized as the money of the realm by calling the tallies 'unfunded' debt, while labelling the *Bank of England's* paper notes 'funded debt'. Modern economic historians call this shift a *Financial Revolution*.

According to a scholarly article from *Harvard University*: 'Tallies and departmental bills were issued to creditors in anticipation of annual tax revenues but were not tied to any specific revenue streams; hence they were unfunded.'⁹

When debt was 'funded', Parliament set aside specific revenues to meet interest payments, a feature that further enhanced confidence in lending to the government.'

What seems to have been overlooked is that until the mid-seventeenth century, the tallies did not *need* to be 'funded' through taxes, since they were not debts. They were receipts for goods and services, which could be used by the bearers in the payment of taxes. It was because the tallies were accepted...and sometimes required...in the payment of taxes that they retained a stable value as money.

Before *Cromwell's Revolution*, the king did not need to borrow, because he could issue metal coins or wooden tallies at will to pay bills. The *Harvard* authors present a chart showing that in 1693, 100 percent of the government's debt was 'unfunded' (or paid in government tallies). By the 1720s, '...over 90 percent of all government borrowing was long term and funded'. The *Financial Revolution* was this transfer of the right to issue money from the government to private bankers.

In the end, the tallies met the same fate as the witches - death by fire.¹⁰ The medieval 'witches' were mainly village healers, whose natural herbs and potions competed with the male-dominated medical profession and papal church.



⁹ *Paying for Privilege: The Political Economy of Bank of England Charters, 1694-1844* by J. Lawrence Broz & Richard Grossman, (January 2002, *Weatherhead Center for International Affairs, Harvard University*).

¹⁰ According to some modern estimates, nine million women were executed as witches for practicing natural herbal medicine and 'occult' religion.

The tallies were the money of the people, which competed with the money of the *Usury Bankers*. In 1834, after the passage of certain monetary reform acts, the tally sticks went up in flames in a stove at the *House of Lords*.

Parliament ordered the destruction of all tally sticks. But instead of giving the tally sticks away as firewood, or building a bonfire out in the *Palace Yard*, a decision was made...cock-up or conspiracy?...to burn them in two



furnaces in the *House of Lords*. The resulting conflagration set fire to the wood paneling, burning down the *Palace of Westminster* and both *Houses of Parliament*...a symbolic end to an equitable era of trade, with the transfer of power from the *Government* to the *Bank*.

Although the tallies were wiped off the books and fell down the memory hole, they left their mark on the modern financial system. The word *Stock*, meaning a financial certificate, comes from the Middle English for the tally stick. Much of the stock in the *Bank of England* was originally purchased with tally sticks. The holder of the stock was said to be the *Stockholder*, who owned *Bank Stock*.

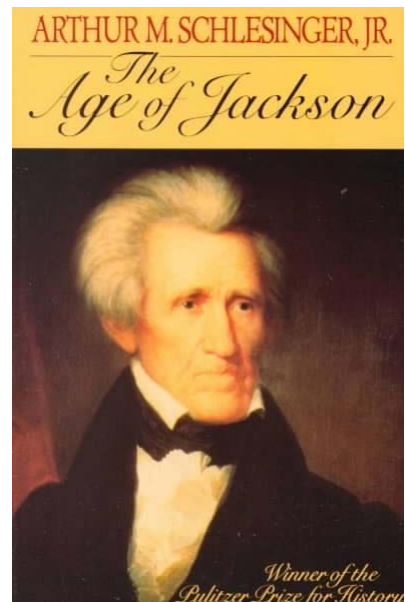
One of the original *Stockholders* bought his *Bank of England* shares with a £25 000 tally stick...an enormous sum at the time. A substantial share of what would become the world's richest and most powerful corporation was thus bought with a stick of wood!

According to legend, the location of *Wall Street*, the New York financial district, was chosen because of the presence of a chestnut tree large enough to supply tally sticks for the emerging American stock market.

Stock issuance was developed during the Middle Ages as a way of financing businesses when interest-bearing loans were forbidden. In medieval Europe, banks run by municipal or local governments helped finance ventures by issuing shares of stock in them. The municipal banks were large, powerful, efficient operations that fought the *Moneylenders'* private *Usury Banks* tooth and nail.

The *Usury Banks* only prevailed in Europe when the French revolutionary government was forced to borrow from *International Bankers* to finance the *Revolution of 1789*...putting the government heavily in their debt.

In the USA, the *Usury Banks* fought the people, the farmers, politicians (and presidents¹¹) for two centuries before the *Federal Reserve Act* established the banks' private monopoly in 1913. In the 19th Century, the battle between *We The People* and the *Bank of the United States* defined American politics.¹²



¹¹ See *The Age of Jackson* by Arthur M. Schlesinger, Jr.

¹² See *The Last Stand of William Jennings Bryan* by William Shepherd at <http://cesc.net/dispatchweb/manuscripts/laststand.pdf>.